
Relationship Between Inflation, Inflation Expectations, and the Mexican Stock Exchange Index (IPC) (2000-2019)



Relación entre la inflación, las expectativas de inflación y el índice de la Bolsa Mexicana de Valores

Elio Cesar Onorio Viveros
Universidad de Guadalajara, México
onorioelio@gmail.com

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Abstract: This study examined the relationship between inflation, inflation expectations, and the Mexican Stock Exchange Index (IPC BMV) from 2000 to 2019. Using multiple linear regression models with monthly data, the results revealed a positive correlation between actual inflation and the IPC BMV and a negative relationship with expected inflation. High inflation expectations, represented by a dummy variable, indicated favorable adjustments. Despite the models' low R^2 , the findings remain valid, emphasizing that inflation and its expectations are only part of the factors influencing the IPC BMV. The analysis highlights the importance of calculating inflation expectations for the Bank of Mexico and offers valuable insights for policymakers and investors in emerging markets.

Keywords: Inflation, Inflation expectations, Mexican Stock Exchange Index (IPC BMV), Financial markets, Mexican economy.

Resumen: Este estudio examinó la relación entre la inflación, las expectativas de inflación y el Índice de Precios y Cotizaciones de la Bolsa Mexicana de Valores (IPC BMV) de 2000 a 2019. Mediante modelos de regresión lineal múltiple con datos mensuales, los resultados revelaron una correlación positiva entre la inflación observada y el IPC BMV, y una relación negativa con la inflación esperada. Las altas expectativas de inflación, representadas por una variable ficticia, indicaron ajustes favorables. A pesar del bajo R^2 de los modelos, los hallazgos siguen siendo válidos, lo que enfatiza que la inflación y sus expectativas son solo una parte de los factores que influyen en el IPC BMV. El análisis destaca la importancia de calcular las expectativas de inflación para el Banco de México y ofrece información valiosa para los responsables de la formulación de políticas e inversionistas en mercados emergentes.

Palabras clave: Inflación, Expectativas de inflación, Índice de Precios y Cotizaciones de la Bolsa Mexicana de Valores (IPC BMV), Mercados financieros, Economía mexicana.

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